

EMPLOYEE RECOGNITION AND AWARDS PROCEDURES AND GUIDES


1. **REASON FOR ISSUE:** This handbook provides incentive awards procedures to implement the policies contained in VA Directive 5451.
2. **SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook provides revised criteria for and procedures on:
 - a. Determining the types and amounts of awards.
 - b. Preparation, documentation and approval of incentive award recommendations and quality step increases.
 - c. Authority to approve awards.
 - d. Guidance on establishing Organizational Awards Programs.
3. **RESPONSIBLE OFFICE:** Office of the Deputy Assistant Secretary for Human Resources Management.
4. **RELATED DIRECTIVE:** VA Directive 5451, Incentive Awards.
5. **RESCISSIONS:** This handbook rescinds. **MP-5**, Part I, Chapter 451, date-d April 29, 1983; change 1, dated August 10, 1993; Interim Issue 00-88-21, dated December 16, 1988; Interim Issue 00-88-7, dated May 23, 1988; Interim Issue 00-87-7, dated April 3, 1987.

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EMPLOYEE RECOGNITION AND AWARDS PROCEDURES AND GUIDES

PART A. GENERAL PROVISIONS

1. PURPOSE

a. This handbook contains both mandatory Department of Veterans Affairs (VA) procedures and suggested guidelines for administration of effective employee recognition and awards programs that motivate employees to make contributions that support and enhance organizational goals and objectives.

b. This handbook also:

(1) Establishes new criteria for determining eligibility for quality step increases;

(2) Revises VA's scales of awards for granting time off and monetary awards; and

(3) Promotes the use of Special Awards Programs that are directly linked to the achievement of organizational goals and objectives, including Productivity/Gainsharing Awards Program.

2. DEFINITIONS

a. Award. A generic reference to the entire range of rewards available to recognize an employee under VA's Incentive Awards Program including cash, nonmonetary, honorary and time off awards.

b. Employee. For purposes of VA's Incentive Awards Program, an employee means an individual who is:

(1) Appointed in the civil service by one of the following, acting in an official capacity:

(a) The President;

(b) A Member or Members of Congress, or the Congress;

(c) A member of a uniformed service;

(d) An individual who is an employee under 5 U.S.C. Section 2105;

(e) The head of a Government controlled corporation; or

(f) An adjutant general designated by the Secretary concerned under section 709(c) of title 32;

(2) Engaged in the performance of a Federal function under authority of law or an Executive act; and

(3) Subject to the supervision of an individual named by paragraph (1) of this subsection while engaged in the performance of the duties of his position.

(4) Currently performing at a successful level.

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c. **Key Officials.** For the purpose of this policy directive only, "key officials" refers to the following specified officials: Administration Heads, Assistant Secretaries, Other Key Officials within VA Central Office, and Key Field Officials (network and field facility directors and equivalent officials).

d. **Necessary Expenses.** Costs associated with recognition under VA's awards program that enhance the honor and distinction given the award recipient(s).

3. **PAYMENT OF AWARDS AND NECESSARY EXPENSES RELATED TO EMPLOYEE RECOGNITION**

a. Normally cash awards are paid by the organization(s) benefiting from the contribution. In cases where the organization primarily benefiting from the contribution is not the recipient's employing organization, funds may be transferred to the employing organization to cover the award amount.

b. When a cash award is approved by a VA organization for a suggestion or contribution made by an employee of another Federal agency, arrangements shall be made to transfer funds to the recipient's employing agency unless the administrative costs associated with transferring funds would exceed the amount of the award.

c. Appropriated funds may be expended to purchase award items to be used in connection with recognition granted under VA's incentive awards program.

d. If deemed appropriate by the organization head or his or her designee, travel and per diem expenses may be paid for an award recipient(s) and his or her guest or attendant to attend an awards ceremony to receive an award from the funds or appropriations available to the organization to which the employee is assigned, the organization primarily benefiting from the contribution, or from several funds or appropriations of the various organizations benefiting.

e. Appropriated funds may be expended to pay for ceremonial expenses (see Appendix I for information on planning a ceremony) and to furnish light refreshments at awards ceremonies when:

(1) The ceremony is truly "ceremonial" and is not a part of the organization's typical day-to-day activities; and

(2) A determination is made by the organization head that light refreshments would enhance the effectiveness of the awards ceremony.

f. Decisions regarding other expenses in connection with awards that involve expenditure of appropriated funds will be determined based on application of relevant Comptroller General decisions and VA financial policy. A summary of Comptroller General decisions relevant to the incentive awards program is located in Appendix G.

g. Expenses for appropriate promotion, publicity and administration of awards may be incurred at the discretion of key officials as a necessary expense of administering their awards programs in accordance with VA financial policy. Necessary expenses may include appropriate items which enhance the ceremony and presentation of awards.

4. **AUTHORITY TO APPROVE AWARDS.** Authority to approve awards is subject to the provisions outlined below except that as a courtesy, any award being recommended for an employee of another organization should be concurred in by the appropriate official in the employing organization.

a. **Cash Awards.** All cash awards that are recommended at a level lower than a Key Official must be approved at a higher management level than that which recommended and be within that official's delegated approval authority. Key Officials, including the Secretary and Deputy Secretary, may act as both the recommending and approving official on all monetary awards within their delegated approval authority. This authority may be re-delegated.

(1) Administration Heads, Assistant Secretaries and other Central Office Organization Heads may approve special contribution and productivity/gainsharing awards up to and including \$7,500 for individual employees under their jurisdiction, awards of up to and including \$10,000 for individuals as suggestion awards, and group special contribution awards of up to \$25,000 provided no member of the group receives more than \$7,500. This authority may be re-delegated.

(2) The Secretary may approve individual cash awards up to \$10,000 and may approve group awards in excess of \$10,000 providing no one group member receives more than \$10,000.

(3) Awards for an individual employee in excess of \$10,000 up to \$25,000 must be reviewed and approved by the Office of Personnel Management.

b. **Time Off Awards.** Key Officials are authorized to approve time off awards up to 40 hours. Unless otherwise covered in a supplemental organizational policy issued by a Key Official, all time off awards in excess of 1 work day must be approved at a higher level than the individual who recommended the award.

c. **Honor Awards.** The Assistant Secretary for Human Resources and Administration is authorized to approve Secretary's awards. Key Officials are authorized to approve organizational honor awards, and may delegate that authority to lower levels.

5. AWARD RESTRICTIONS

a. **Aggregate Salary Limitation.** The amount of combined basic pay, allowance, differential, bonus award or other cash payment that an employee can receive during the calendar year is limited to the salary of Executive Level 1. Should this limitation be a concern when recommending recognition for an employee, consult with your organization's finance officer for assistance in determining the projected total compensation for that individual through the end of the calendar year.

b. **Limitations during Presidential Election (5 U.S.C. 4508).** During the period beginning June 1 in a calendar year in which a Presidential election occurs, and ending January 20 following the date of the election, monetary awards may not be granted to:



(1) An individual in a Senior Executive Service position who is not a career appointee as defined in 5 USC 3132(a)(4); or

(2) An individual in an excepted service position of a confidential or policy-determining nature (schedule C).

c. Employees in Executive Schedule Positions (**5 U.S.C.** 4509). In accordance with law, a cash award may not be granted to:

(1) An individual in an Executive Schedule position; or

(2) An individual for which pay is set in statute by reference to a section or level of the Executive Schedule.

6. AWARD AND SUGGESTION RECORDS

a. A case number will be assigned for identification and coding purposes to each cash, honorary and time off award.

b. Awards must be documented, filed and reported in accordance with OPM requirements. Each servicing human resources office will maintain incentive awards records, including the forms and the **justification/documentation** to support award actions, for a period of 2 years from the approval date. Records of employee suggestions and the action taken on them will be retained for a period of 2 years from the date of final action on the suggestion.

c. Only Form **SF-50B**, Notification of Personnel Action, which documents approved cash and honor awards or Quality Step Increases will be permanently filed in the employee's Official Personnel Folder. A copy of VA Forms 4659, 4239 or equivalent form produced for use with a special award program along with supporting documentation, may be filed in the employee's Employee Performance File and may be retained for a period of 4 years from the approval date.

PART B. EMPLOYEE IDEAS AND INVENTIONS

1. GENERAL PROVISIONS

a. To be accepted as a suggestion, the idea must be submitted in writing, define a problem or objective, present a solution or plan for improvement and tell how the solution will improve the efficiency, economy or effectiveness of Government operations or otherwise benefit the Government, except:

(1) Ideas that benefit employees such as holidays, leave, and insurance, or those involving services to employees such as working conditions, building and grounds, housekeeping, or routine safety practices generally are excluded from consideration unless there are also significant anticipated benefits to the Government from the idea.

(2) Submissions which are not constructive proposals offering specific means for improving operations or which contain assumptions or unsupported statements will not be accepted for consideration under the suggestion program.

b. Employee suggestions will be processed promptly, normally within 30 days of receipt.

c. Suggestions which are adopted locally but are believed to be useful elsewhere in VA or the Government will be forwarded to Central Office for consideration for adoption on a wider scale.

d. Suggestions which cannot be evaluated or adopted locally because they are beyond the scope of local implementation will be forwarded to Central Office, along with the facility's evaluation as to the merits or value of the idea.

e. Approval officials are responsible for implementing adopted suggestions and inventions and authorizing payment of cash awards as soon as possible.

f. Local Incentive Awards liaisons are responsible for circulating information on suggestions adopted for optional use to interested services/divisions and to their headquarters' awards liaison.

g. All suggestions processed through the employee suggestion program have a 2-year award entitlement period during which, if the idea is subsequently adopted as a direct result of the employee's suggestion, or if any beneficial action traceable to the suggestion is taken, the suggestion should be reopened for award consideration.

h. Suggesters may request reconsideration of the decision on their suggestions.

i. Participation by employees in the suggestion program is voluntary.

j. Acceptance of a cash award for an employee suggestion or invention constitutes an agreement that the use of the idea, method or device for which the award was paid does not form the basis of a further claim against the Government by the employee.

2. SUGGESTION PROCEDURES

- a. Suggestions must be submitted in writing, using either VA Form 3951, Employee Suggestion, or a memorandum.
- b. Employees may submit suggestions directly to their servicing HRM office.
- c. Suggestions will be evaluated on VA Form 4239, Action on Employee Suggestion.
- d. Incentive awards liaisons will coordinate the review of employee suggestions originating from or forwarded to their organization for review and evaluation.

3. SUGGESTION AWARDS

- a. In order to qualify for a cash award, adopted suggestions must have measurable dollar benefits of at least \$250, or intangible benefits of comparable value, or a combination of both.
- b. Awards may be in the form of cash or time off. In determining the amount of the award for adopted suggestions, the appropriate scale of awards in Appendix B will be used.
- c. A cash award may be granted to an employee for an adopted suggestion which concerns matters within or outside job responsibilities.
- d. When warranted, a suggestion award may be supplemented based on benefits that are in addition to those realized by the original adoption of the suggestion.
- e. Once an award is accepted, the idea, method or device that was the subject of the suggestion becomes the exclusive property of the Government.
- f. Suggestion awards will be documented using VA Form 4239, and will contain a summary of the benefits resulting from adoption of the suggestion.

4. EMPLOYEE INVENTIONS

- a. An employee or group of employees whose invention benefits the government and/or the public may be considered for a cash or honorary award.
- b. VA regulations 38 CFR, Sections 1.650 - 1.666, Inventions by Employees of the Department of Veterans Affairs, require that the inventor(s) disclose the invention to VA at the earliest possible time. The submission of the disclosure must contain specific information in a specific format. Contact the Office of General Counsel for additional information. An inventor's report should be submitted whether or not the employee considers the invention to be related or unrelated to his or her job. The Office of General Counsel will notify the appropriate officials of their obligation to consider employee inventors for awards.

c. Upon notification from the Office of General Counsel of the employee's eligibility for an award, the following may be recommended:

(1) An initial award of \$300 should be recommended and approved when the reported invention has been favorably evaluated by VA as having value to its mission.

(2) An additional award of \$500 should be granted when the following conditions are met:

(a) A patent application is filed by VA,

(b) The Federal government owns the invention or has a license to it, and

(c) upon notification that a patent has been issued or has been allowed.

(3) A further award may be granted on inventions owned by the U.S. Government based on tangible or intangible benefits to the extent the invention has benefited the Government under the following conditions.

(a) When the invention benefits the public as evidenced by the number of patent licenses granted, reports on commercialization from patent licenses and other information pertaining to the commercial use of inventions; and/or -

(b) When the invention provides benefits to the Government as evidenced by Government use.

d. Award recommendations will be submitted on VA Form 4659.

e. If an employee inventor believes the value of his or her invention to the Government or the public has substantially increased since an award was made, he or she may seek reconsideration of the award amount. The opinion and recommendations of the General Counsel may be sought on this issue.

PART C. RECOGNIZING INDIVIDUAL AND GROUP CONTRIBUTIONS

1. SPECIAL CONTRIBUTIONS

a. **General Provisions.** Recognition through a cash award, time off award or other honorary or nonmonetary means may be granted to an individual employee or group or team of employees in recognition of a contribution, act, service or achievement that benefits VA or beyond, or for overall sustained performance beyond normal job requirements. The type and amount of award will be based on the value of the contribution to the organization. In determining the amount of an award, the appropriate table(s) in Appendix B will be used. Members of the Senior Executive Service are not eligible under this part for awards based on overall sustained high level performance.

NOTE: *Because recognition has its greatest impact as a motivational tool when it follows closely the contribution being recognized, every effort should be made by supervisors and managers to submit a recommendation immediately after the contribution is made.*

(1) There is no limit on the number of special contribution awards that may be granted to an employee in any given period, either as an individual or as a member of a group or team.

(2) When a special contribution award is based on a group contribution, each contributing employee, including supervisors, should share in the award. The award may be granted in equal shares or in shares which reflect actual demonstrated differences in contributions to the group effort.

(3) Because the basis for monetary recognition is the contribution that was made and resulting benefits and not the number of people in a group effort, the total amount of a group award generally will not exceed the amount that could be authorized if the contribution had been made by one individual. Exceptions to the total amount of a group award may be approved by Key Officials for award amounts within their delegated approval authority. Reason(s) for the exception must be documented in the recommendation.

(4) Some examples of contributions for which a special contribution award may be appropriate are:

(a) High-level performance on a particular assignment, project or over a sustained period of time;

(b) Creative efforts that resulted in an important contribution to the efficiency or economy of VA operations or improved customer service such as streamlining processes or procedures or a significant reduction in paperwork;

(c) A major medical advancement;

(d) Overcoming unusual or unique circumstances in the performance of duties with exceptional results that warrant recognition;

(e) Enhanced service delivery to customers through reengineering of work processes or procedures;

(f) Significant improvements in the quality of services and products for VA customers; and

(g) An act of heroism or unusual courage or competence in an emergency situation which was connected with or related to official employment;

NOTE: See checklist in Appendix F for additional examples of contributions that may warrant a special contribution award.

(5) Examples of situations where a monetary award is not appropriate, but that may be eligible for a time off award or other nonmonetary recognition are included in Appendix C.

(6) Generally, award recommendations will be submitted as soon as possible following the contribution. Cash and time off awards recommendations should be submitted using VA Form 4659, Incentive Award Recommendation, and will contain a justification that summarizes the contribution and includes a description of the benefits to VA or beyond from the contribution which serve as the basis for the award. The justification may be completed directly on VA Form 4659 or on Form 4659a, Special Contribution Checklist, as an attachment to VA Form 4659. Recommendations for special awards programs, such as "On-the-Spot" awards may be submitted on alternative forms as indicated in the procedures for the special awards programs.

b. Types of awards for special contributions

(1) Special Contribution Awards of up to \$10,000 per employee to recognize individual, group or team efforts.

(2) On-the-Spot Awards provide immediate recognition of one-time, short-term efforts that do not meet the minimum requirements for a special contribution award. On-the-Spot Awards may be cash or nonmonetary or both.

(3) Time Off Awards. A time off award is an excused absence granted to an employee without charge to leave or loss of pay. Time off may be used alone or in combination with other forms of special contribution awards. See Appendix J for additional information on receipt of and processing for Time Off Awards.

(4) Nonmonetary awards. See Part D, paragraph 2 of this Handbook for a discussion of nonmonetary awards.

2. QUALITY STEP INCREASE. A quality step increase is an increase to an employee's rate of basic pay from one step of the grade to **the next** step that **is** granted in recognition of excellence in performance during the last appraisal cycle. The purpose of such increases is to recognize consistently high achievers by granting faster than normal step increases.

a. Only General Schedule employees are eligible to receive quality step increases. Employees in occupations identified in 38 U.S.C. 7401(3) are eligible for one-step special advancements for performance, subject to meeting the criteria for QSI's.

b. Quality step increases are not required but may be granted to employees whose overall performance is deemed exceptional as demonstrated by making significant contributions to the accomplishment of organizational goals and objectives, and exceeding the standards on all the elements in the individual's performance appraisal plan.

c. QSI's are appropriate when an employee's sustained high level of achievement merits faster than normal advancement of basic pay and that employee is not in step 10 of the grade. A QSI not only increases an employee's base pay, but also increases the amount of retirement benefits, the amount of Government life insurance for covered employees, and often results in a higher basic pay adjustment upon promotion of the employee. -

NOTE: *Because a QSI represents an increase in base pay, this type of recognition may increase an organization's budget well into the future.*

d. Recommendations for quality step increases will be submitted as soon as possible after the end of the appraisal cycle, on VA Form 4659, and will be accompanied by a copy of the employee's most recent performance appraisal and a narrative statement describing the overall exceptional performance meriting this recognition. VA Form 4652, Request for Personnel Action, should also be provided with the justification to ensure timely processing.

e. **Restrictions.** A quality step increase may not be granted to an eligible employee who has received a quality step increase within the preceding 52 consecutive calendar weeks or who is in step 10 of the pay grade.

f. **Effect on Regular Within-Grade Increases.** An employee who receives a quality step increase does not start a new waiting period to meet the time requirements for a regular within-grade increase. If the increase places the employee in the *fourth or seventh step* of his or her pay grade, however, the waiting period for the within-grade increase is extended by 52 weeks. Because a QSI is intended to recognize and motivate an employee, the avenue most advantageous to the employee should be taken. Also, if the employee is about to be promoted, the QSI may or may not benefit the employee once promoted.

NOTE: The following chart compares the impact of the effective date of a QSI on an employee's progression from step 3 through step 5 of the grade. In the illustration, a decision was made to award a QSI to an employee who is due for a within grade increase to step 4 in October 1997. The last two columns illustrate how making the QSI effective before or after the due date of the step 4 within grade increase affects the due date for the within grade increase to step 5.

Impact of QSI on Regular Within-Grade Increase		
Regular Within-Grade (WIG) Progression	Impact When QSI Places Employee in Step 4 of Grade	Impact When WIG Places Employee in Step 4 of Grade because QSI is delayed
WIG to step 3 - effective 10/8/96	WIG to step 3 - effective 10/96	WIG to step 3 - effective 10/96
WIG to step 4 - effective 10/97	QSI to step 4 - effective 10/97	WIG to step 4 - effective 10/97
WIG to step 5 - effective 10/99	WIG to step 5 - effective 10/98	QSI to step 5 - effective 10/97*

*WIG and QSI may be processed on the same date as the WIG will always be effected first.

g. Effective Date. Quality step increases should be made effective as soon as possible after they are approved unless a short delay would benefit the employee. Because the approval of the increase is a discretionary action, it may not be approved retroactively. However, if an administrative error occurred after the increase was approved that caused a delay in the increase being processed, it may be made effective retroactive to the first day of the first pay period following the date of approval.

3. **PRODUCTIVITY SHARING OR GAINSHARING AWARDS.** These are awards that are paid out on a regular recurring basis in recognition of exceeding predetermined levels of productivity during the pay out period. **Key** Officials may establish productivity sharing or gainsharing programs to engage many or all employees in a common effort to achieve gains in productivity, quality or effectiveness and share some portion of the savings resulting from the gains to the employees or groups of employees who, through enhanced teamwork and common commitment, produce those results. Although such programs generally offer monetary incentives, they may also offer or be combined with time off or other forms of recognition.

NOTE : *In establishing a productivity sharing or gainsharing program, organizations are encouraged to involve employees in the design and administration of the program to obtain employee buy-in and support of the initiative.*

a. Productivity sharing or gainsharing programs are subject to the same award criteria that apply to other awards.

b. Coverage. Gainsharing programs may cover an entire organization, work units, teams or individual employees in specific occupations where output can be measured against preestablished goals.

c. **Defining Performance Measures.** Productivity, quality and/or effectiveness, whichever is being measured, should be defined in terms of resources used to produce measurable results. Compared with baseline data, these programs should include a predetermined method for measuring gains as well as for calculating the amount of any award based on the gain.

d. **Defining Measurement and Award Formulas.** The formulas developed to **determine gains** should generally be related to the nature of the work and the purpose for which the program was established. The formula developed to **calculate awards** based on gains should be related to a baseline standard to which a value is attached for each increment by which the standard is exceeded. For groups, the formula may also include the method for distributing the award among the employees who produced the gain. The award may be a uniform percentage of base pay, a set dollar amount, scale of time off, or other.

e. **Program Evaluation.** The results of a productivity sharing or gainsharing program should be monitored and evaluated periodically to ensure that the results achieved, and awards driven by them, are consistent with the intent of the program. Results of such reviews may signal the need to adjust standards that are consistently surpassed over time or are affected by new technology or work processes.

f. Distribution of Awards. Awards that result from a these types of programs should be distributed as closely as possible after the gain has been realized. Awards may be paid on an annual, semi-annual, quarterly, monthly or biweekly basis or may be granted at other intervals based on the nature of the work and the type and size of the awards.

g. Establishing Productivity Sharing **or** Gainsharing Programs. Gainsharing programs should describe:

(1) Objectives of the awards program (what the awards are supposed to achieve);

(2) **Coverage.** (which employees, groups of employees, work units or occupations are covered by the program);

(3) Types of outcomes that will be measured (improved productivity, quality, effectiveness);

(4) How the gains will be determined;

(5) Type of award that will be provided (flat amount cash award, cash award based on percent of base pay, time off, or other form of recognition);

(6) How awards will be calculated based on gains;

(7) Frequency for distributing the awards;

(8) How, where and/or when the awards will be presented; and

(9) Frequency and method of program evaluation.

4. ORGANIZATIONAL AWARDS PROGRAMS

a. Organizations are strongly encouraged to develop special awards programs to use along with other Departmental awards, to support specific organizational goals and objectives. These programs link most forms of recognition (monetary, non-monetary and time-off) directly to the achievement of specifically defined organizational initiatives such as improved customer service, innovative practices, quality initiatives, elimination of unnecessary work processes or procedures, etc. These awards can also be used to recognize and reinforce organizationally defined values such as courtesy, employee empowerment, responsiveness to customers, risk taking, etc.

b. In planning and developing a special use awards program, involvement of employees and supervisors at all levels is encouraged to create not only awareness and understanding of the program's goals and objectives, but to facilitate employees' acceptance of the program. Employee input is also useful to ensure that the type of recognition being proposed is meaningful to the employee and will serve as a motivator.

c. Special awards program need to be described in writing and approved by a Key Official or his or her designee. The description of such programs should include:

- (1) The objective of the awards program (what the awards are supposed to achieve);
- (2) The types of contributions that will be recognized (describe criteria and provide concrete examples whenever possible);
- (3) The specific information that nominations must contain (a standardized nomination format will simplify the nomination, review and selection process);
- (4) who is eligible for an award (certain pay plans, occupations, work units, services/divisions, etc.);
- (5) The type of recognition or award item that will be provided (to the extent possible recognition should be both meaningful to the employee and commensurate with the contribution recognized). Organizations may use existing certificates or design their own for use with special awards programs;
- (6) The frequency and number of awards that will be granted and the award consideration period (monthly, quarterly, annually, on an as-warranted basis, etc.);
- (7) The nomination, screening and approval processes (which should be kept to a minimum to encourage nominations while also ensuring that an accurate description of the contribution justifying the award is provided); and
- (8) How, where and/or when the award(s) will be presented.

d. Information about special use awards programs should be announced and publicized to promote awareness among employees of the opportunity for recognition.

e. Many types of award programs are available to reduce costs and further organizational goals and objectives. Imaginative uses of awards which may be used include, but are not limited to awards that recognize:

- (1) Employee of the Month, Quarter or Year;
- (2) Teamwork and/or cooperation;
- (3) Promoting the use of Best Practices;
- (4) Promoting exceptional courtesy and responsiveness through written documents (letters, brochures, pamphlets, etc.);
- (5) Improved work behaviors such as exemplary courtesy and responsiveness to veterans and the public;

(6) Recruitment efforts for referring candidates for hard-to-fill positions;

(7) Employee participation in the Employee Suggestion Program; and

(8) Suggestion Evaluators who provide prompt and responsive evaluations of employee suggestions.

f. To reinforce the effectiveness of special use awards, it is important to widely publicize employees recognized under the program. The level at which awards are presented, as well as the involvement of the nominating and approving officials in the presentation of the award, are also important considerations. Newsletters, bulletin boards, articles in local newspapers, etc., can all serve as effective vehicles for the purpose of publicity.

g. To ensure that legal/regulatory requirements are met, organizations should consult with local Human Resources Offices and Finance Offices and obtain necessary concurrences prior to implementation. Additionally, a copy of the approved special awards program should be maintained by the Human Resources Office as documentation for the program and to expedite processing of requests for recognition to support these programs.

h. Award justifications used to support granting any special awards may be submitted on VA Form 4659 or in accordance with the provisions of the program. Justifications must be maintained either by the organization's award liaison or the Human Resources Office for a period of two years after the approval of the award.

i. Evaluation of each special use program should be conducted periodically to ensure its effectiveness and need for continuation. This review also provides an opportunity to make changes in the program and **reannounce** the award program. How and when such evaluation will be carried out should be considered in the development of any special awards program.

PART D. HONOR AND NON-MONETARY AWARDS.

1. VA HONOR AWARDS. These awards include a suitably inscribed certificate, plaque, desk or office item or other similar item that has an honor connotation. Honorary awards are an integral part of the Department's recognition and awards program and are available in a variety of forms to recognize a wide range of one-time or career achievements. As with other forms of recognition, these awards can also be used to support the achievement of organizational goals and objectives and should be incorporated as much as possible into organizational awards program. The costs associated with granting these awards can be minimal and depending on the level of approval and presentation as well as the method of presentation, their value as a motivator can be significant. Honor awards are distinguished from non-monetary awards by the criteria, level of the official approving and presenting the award and the few numbers of these awards granted. Generally, the cost of such awards is less than \$50. (See Appendices D and E for information on traditional honor awards and other creative honor awards that have been used.)

a. Secretary's Honor Awards Program.

(1) The Secretary approves and personally presents a number of awards to employees or groups of employees in recognition of their exceptional efforts that support VA's mission, distinguished VA or Federal careers, outstanding community service and for acts of heroism. A listing of these awards, along with criteria and nominating procedures, appears in Appendix D. In addition to awards that recognize VA employees, the Secretary also recognizes contributions by private citizens or private organizations who make contributions in support of VA's mission.

(2) Awards Liaisons will prepare VA Form 50-1, Request for Security Clearance, on all employees in their organization being recommended for an award by the Secretary. In unique or unusual circumstances, a request to waive this requirement with appropriate justification may be made to the Assistant Secretary for Human Resources and Administration.

b. Organizational Honor Awards Programs. Key VA Officials are strongly encouraged to establish honor awards programs to supplement those granted by the Secretary which primarily focus on significant contributions to the goals and objectives of their organization. A listing of some of these awards, along with criteria, appears in Appendix D.

c. Service Recognition.

(1) Length of Service. While not technically an award because an employee need not perform above job requirements to be recognized, service recognition is an accepted part of VA's employee recognition and awards program. Service pins and certificates are available starting with 10 years of service through 50 years at **5-year** intervals and should be presented as close as possible to the employee's anniversary date.

NOTE: *Service Awards at 50 years or above are from the Secretary (see Appendix D for information on processing service awards for 50, 55, 60 and 65 years of service.)*

(a) Key Officials are authorized to present other non-monetary items, particularly for service of 30 years or more, in addition to the VA-wide pins and certificates.

NOTE: Cost implications of providing such items should be considered, particularly for the lower years when a large number of employees will reach these milestones.

(b) Key Officials will sign service award certificates or may redelegate this authority to a lower level.

(c) Service Computation. Credit is given for all Federal service, both creditable military and civilian. The length of service is based on the employee's service computation date except for retired members of the uniformed services.

(2) Recognition at the Time of Retirement. Since awards are intended to not only recognize employees for their special efforts, but are intended to motivate the recipient and others who witness the presentation, generally it is inappropriate to reward employees monetarily when they leave VA service either through retirement or separation. It may be fitting and appropriate to consider awarding some form of honor or nonmonetary award in recognition of their dedicated efforts to support VA's mission. Several options are available to recognize an employee leaving VA. The type of recognition chosen and the level at which it is approved should correspond to the scope and importance of career achievements and/or the level of dedication and exceptional service to VA.

(a) Retirement Certificate (and matching pin). The retirement certificate can be given to any employee leaving VA service through retirement. The retirement pin may also be given.

(b) Certificate of Commendation. A certificate, bearing a personalized citation and signed by a key official for significant contributions to an organization or the Department.

(c) Outstanding Career Award. A certificate with generic citation which recognizes outstanding accomplishments either within or beyond job requirements over a prolonged period of time.

(d) Exemplary Service Award (formerly Honor Award). A certificate, bearing a personalized citation and signed by the head of an organization, presented for contributions of major significance to an organization or the Department. Typically, if given at retirement, the award recognizes exceptional career contributions.

(e) Distinguished Career Award. A certificate, bearing a generic citation, suitably framed with a gold medal, and a lapel pin. This award recognizes an individual who has made significant contributions that have VA-wide or national impact.

d. Unless otherwise indicated, recommendations for Honor Awards are submitted on VA Form 4659.

2. NON-MONETARY AWARDS.

a. Non-monetary Awards. Non-monetary awards are becoming one of the more popular types of incentives used in VA for a number of reasons. The nominal cost (generally up to \$50) of such items in an era of declining budgets and limits on spending, the ability to have such items on hand to be used to immediately recognize an employee's or team's efforts, and the limitless number of items that can be used that provide a unique and different incentive for employees. Such incentives, when used to immediately reinforce an employee contribution of limited impact and value, can be as, if not more, effective than cash in motivating an employee or group of employees.

b. Non-monetary Versus Honor Awards. Although these forms of recognition may overlap (a certificate can be both an honor award and a non-monetary award), these forms of recognition are distinguished generally by the level of contribution required and level at which they are approved and presented. Typically honor awards recognize exceptional contributions of great importance to the Department. As with any form of recognition used, the recommending official should try to ensure that the recognition being suggested both fits the contribution and the employee(s) being recognized. For example, a non-monetary award item would be inappropriate to recognize a significant contribution such as a medical breakthrough but might be appropriate to give someone to thank them for completing a rush assignment.

c. Types of Non-monetary Awards. A full range of items from a certificate of appreciation, to a gift certificate to a favorite restaurant, to an item the employee can wear such as a t-shirt, jacket or scarf to an appropriate desk item such as a calculator, pen, clock, radio, etc. are available using appropriate funds. These items can only be procured when used in connection with a formally established award program or to be used in connection with recognition. Such use must be documented in writing when ordering. (See Appendices E & G for examples of non-monetary incentives used with special awards programs and decisions on the appropriateness of such items.)

d. Inappropriate Uses. Items purchased under the authority of VA's incentive awards program may not be given away randomly, but must be used as recognition for an employee's or group's efforts. For example, items with no intrinsic value such as buttons and magnets handed out in connection with public service recognition week, or nurses week or for a historical event like the 50th anniversary of the signing of the GI Bill are not considered awards under VA's incentive awards programs but are considered mementos as there is no linkage between the item being handed out and a special act, service or achievement by the employee. For further information on the appropriateness of mementos, consult guidance issued by the Office of Financial Policy.

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3. EXTERNALLY SPONSORED AWARDS

a. The Department is invited to participate in a number of externally sponsored honor awards programs which offer the opportunity to further recognize the achievements of VA employees. Appendix D contains a list of a number of external awards programs in which VA has traditionally participated. In addition, there are many local or regional awards programs announced each year of which field locations may take advantage. Officials should explore every opportunity to recognize the exceptional achievements of VA employees and publicize their efforts both within VA and beyond.

b. A Release of Information Statement is required to be signed by each employee nominated for an external honor award. This statement, once signed, gives VA the right to disclose the contents of the nomination to other sources, as requested, for the purpose of publicity. The personal privacy of an employee who declines the release of such information should be safeguarded.

c. Awards Liaisons will prepare VA Form 50-1 on all employees in their organization being recommended for an external award by the Secretary. In unique or unusual circumstances, a request to waive this requirement with appropriate justification may be made to the Assistant Secretary for Human Resources and Administration.

(21)

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